

**Congress of the United States**  
**Washington, DC 20515**

April 2, 2009

The Honorable Nita Lowey  
Chair  
Subcommittee on State, Foreign Operations  
and Related Programs  
Room HB-26, The Capitol  
Washington, DC 20515

The Honorable Kay Granger  
Ranking Member  
Subcommittee on State, Foreign Operations  
and Related Programs  
Room HB-26, The Capitol  
Washington, DC 20515

Dear Representative Lowey and Representative Granger:

Thank you for your leadership on the Foreign Operations Subcommittee and your dedication to development and anti-poverty efforts. We write to request that you include \$500 million for microenterprise and microfinance programs in the Fiscal Year 2010 Foreign Operations Appropriations bill.

Microenterprise and microfinance programs allow the world's poorest citizens to transform their own lives. We give them a helping hand, but ultimately, they help themselves. Successful micro-lending targeted to the poor is among the most effective of all foreign assistance, because it has such a powerful multiplier effect. It helps to create jobs in poor communities and assists the world's most impoverished citizens to secure greater opportunities for their children.

Around the world today 1.4 billion people live on less than \$1.25 a day. Microfinance programs provide the poor with access to small loans to start their own businesses, a secure means to save, and peer support that provides them business advice and promotes accountability. Women are the main recipients of micro-loans, and these programs are highly effective in empowering women, helping educate girls, and lifting the poor out of extreme poverty. Clients acquire the capacity to improve their quality of life, and the profits earned by these new entrepreneurs help them obtain better food, housing, and education. Rather than a one-time donation by U.S. taxpayers, microfinance funds are continuously recycled in communities throughout the developing world, increasing incomes and generating countless jobs.

The current turbulence in the global economy is affecting the world's poorest most severely. On March 8, the World Bank released a report projecting that the financial crisis will drive an additional 46 million people into poverty in 2009 because "the slowdown in growth will likely deepen the degree of deprivation of the existing poor, since large numbers of people are clustered just above the poverty line and particularly vulnerable to economic volatility and temporary slowdowns." High food and fuel prices in 2008 contributed to an additional 100 million people falling into poverty, and especially tragically, 44 million additional children suffered permanent cognitive and physical damage due to severe malnutrition. Many poor households have taken drastic measures, such as selling their livestock and meager possessions. Children are pulled out of school as families reduce spending. These choices, exacerbated by the financial crisis, threaten to set back economic development for future generations.

The World Bank report concluded, in part, that there is "a strong need to expand assistance to low-income countries to protect critical expenditures and prevent an erosion of progress in reducing poverty." Private capital alone cannot meet the scope of the need, and investments in micro-lending have declined due to the global economic crisis. Increasing foreign assistance to smaller institutions that reach the poor and marginalized will help them expand access to private investment capital, which will contribute to a virtuous cycle of expanded worker skills and greater program sustainability. Particularly in these uncertain times, public funds play a vital role in expanding microfinance to the hardest-to-reach groups -- those who are least responsible for, but hardest hit by, the global financial crisis.

In these times of unprecedented global economic crisis, we must face the fact that combating global poverty is both a moral necessity and a national security imperative. It is in the U.S. national security interest to promote economic development as a means of combating extremism. Our own citizens have a clear personal interest in helping create hope and opportunity for our neighbors. Otherwise, the despair that accompanies extreme poverty could give rise to instability. Last year more than 30 countries were shaken by food riots. Extreme impoverishment also fuels migration across our borders and increasing crime and drug trafficking.

While not a panacea, microenterprise and microfinance programs have proven to be the most effective tools for directly empowering the world's poorest people to climb out of poverty. They are strategic investments in U.S. national security. Thank you for your commitment to ensuring that U.S. foreign assistance effectively reaches those most in need and helps advance these critical U.S. interests.

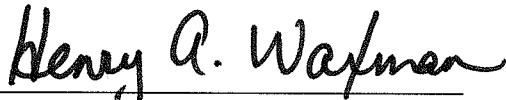
Sincerely,



Rush Holt  
Member of Congress



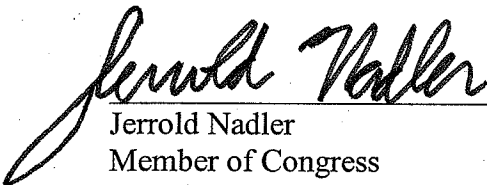
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Henry A. Waxman  
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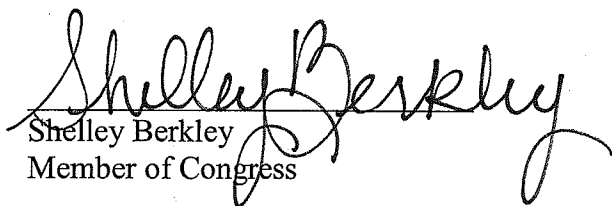
Mazie K. Hirono  
Member of Congress



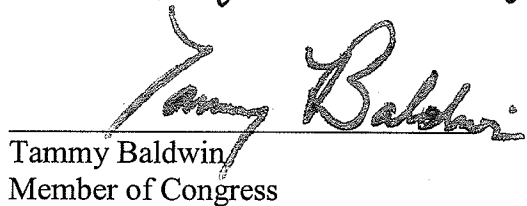
Jerrold Nadler  
Member of Congress



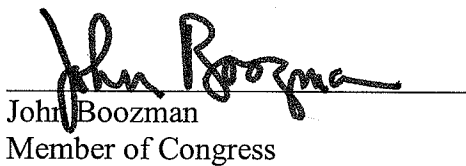
Jerry McNerney  
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Shelley Berkley  
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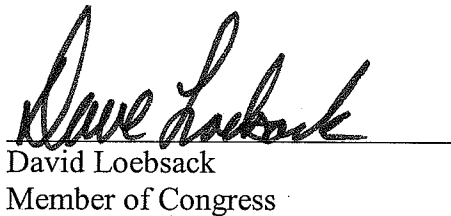
  
Don Young  
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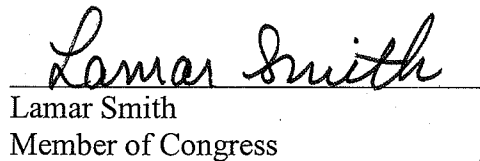
  
Tammy Baldwin  
Member of Congress

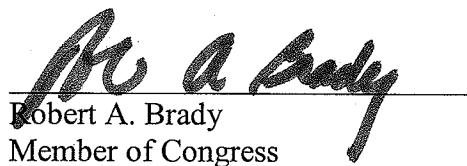
  
Robert E. Andrews  
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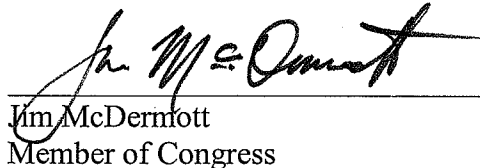
  
John Boozman  
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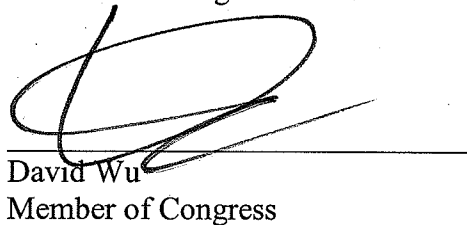
  
Bob Filner  
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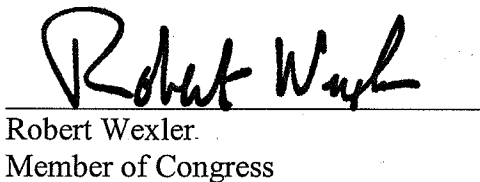
  
David Loebsack  
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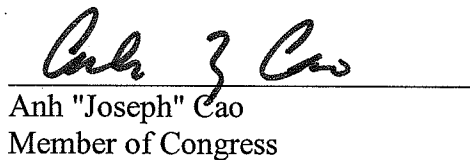
  
Lamar Smith  
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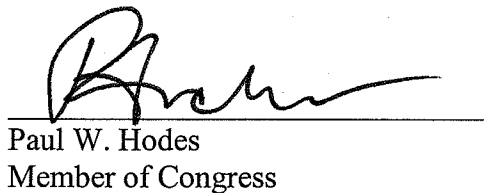
  
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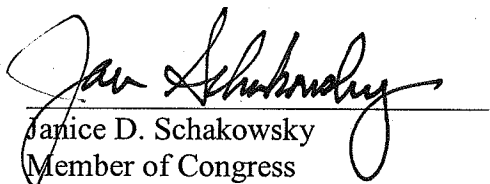
  
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David Wu  
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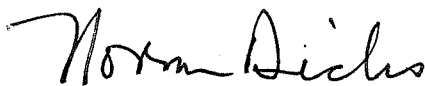
  
Robert Wexler  
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Anh "Joseph" Cao  
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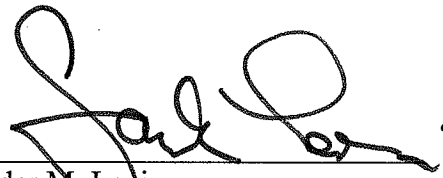
  
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Janice D. Schakowsky  
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Rick Larsen  
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Norman D. Dicks  
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Sander M. Levin  
Member of Congress



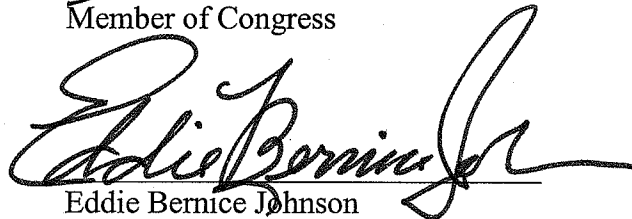
Madeleine Z. Bordallo  
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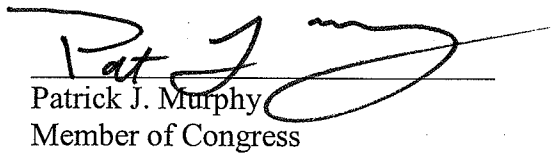
Anna G. Eshoo  
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Zoe Lofgren  
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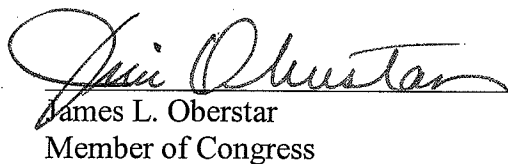
Eddie Bernice Johnson  
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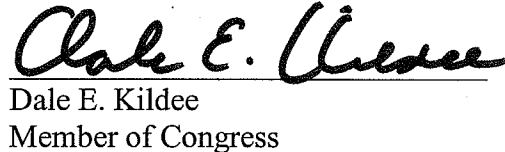
Patrick J. Murphy  
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Diana DeGette  
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James L. Oberstar  
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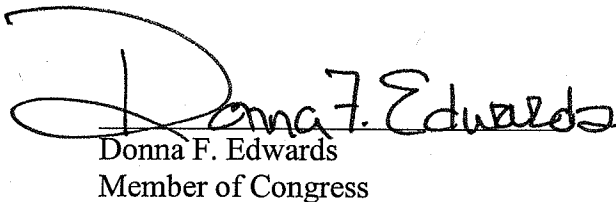
Dale E. Kildee  
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Barney Frank  
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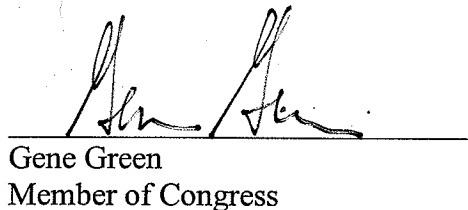
Chris Van Hollen  
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Donna F. Edwards  
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Steve Kagen  
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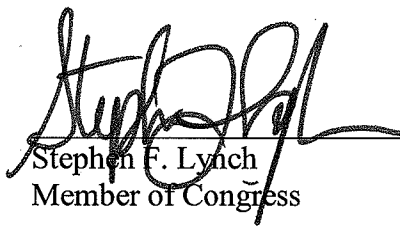
Gene Green  
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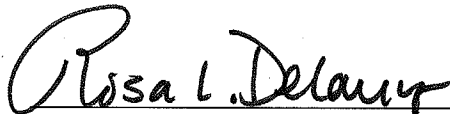
Donald M. Payne  
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Lois Capps  
Member of Congress



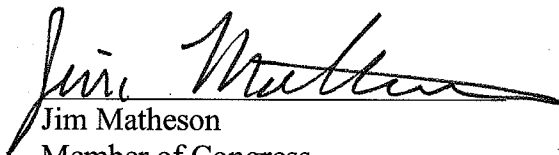
Stephen F. Lynch  
Member of Congress



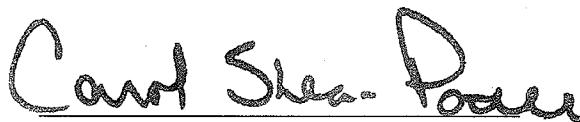
Rosa L. DeLauro  
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Neil Abercrombie  
Member of Congress



Jim Matheson  
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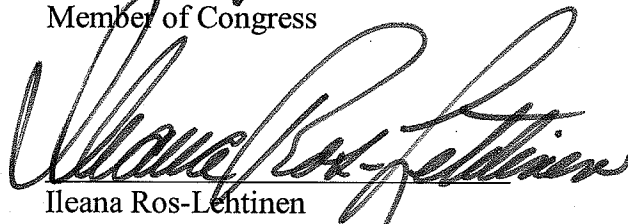
Carol Shea-Porter  
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David G. Reichert  
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Michael H. Michaud  
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Ileana Ros-Lehtinen  
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